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23 May 1969

MEMORANDUM FOR THE RECORD

Morning Meeting of 23 May 1969

DD/I noted that General Abe Lincoln will be in the building today visiting the Operations Center in connection with his look at crisis management.

DD/I commented favorably on past experience with the Summer Intern Program and noted that sixteen individuals from various colleges and universities are scheduled to participate in the Program this summer.

Godfrey reported that the Director's briefing materials for his scheduled appearance before the Rivers Committee on 27 May will be completed by the close of business today. DDCI commented that, according to Russ Blandford, approximately two hours are available to the Director and that Congressman Rivers is reportedly interested in some coverage of Israeli military capabilities.

ADD/S mentioned that Mr. Thomas Whitehead, Staff Assistant to the President, will be meeting with him Monday afternoon in connection with how the Agency is organized in the communications field and to discuss the totality of U. S. Government organization for communications.

Carver noted that sharp differences are emerging in the Pentagon over preliminary staff work connected with NSSM No. 36, Vietnamizing the War.

Maury mentioned that, according to Ed Braswell, Senator Stennis may call upon the Agency to testify before the full Senate Armed Services Committee prior to a vote on the ABM.

5X1

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Maury called attention to the criticism of Congressman Rivers and Russ Blandford as contained in Drew Pearson's column and Bernard Nossiter's item in the Washington Post. DDCI commented that Blandford had expressed the thought that the Rivers Committee would like to hear more about intelligence achievements. [redacted] 25X1 [redacted] In response to the Director's questions, the DD/P said that he is preparing "nuggets" for the testimony.

Houston noted that he will be seeing Walt Yeagley, Assistant Attorney General, Internal Security Division; and the Director reported that he left with the Attorney General a copy of the suggested legislation regarding protection of classified information.

Bross briefed on yesterday's session with PFIAB and noted that, per Colonel Haig, the White House now wants the Board to make an independent threat assessment with a probable completion date of November 1969. He also commented that the security aspects of MOL were discussed. D/ONE pointed to the possible advantages of having the appropriate PFIAB panel members sit in on some of the NIE 11-8 coordination process. 25X1

[redacted]

DDCI noted that he will be seeing Robert Froehlke on 4 June and that EA/DDCI will be collecting topics which might be useful in his discussion with Mr. Froehlke.

[redacted] 25X1

The Director briefed on yesterday's meeting of the Under Secretaries Committee. In this connection, he noted that this Agency is under no obligation to invite or receive a foreign dignitary for a visit unless there is some very good justification and a judgment is made that

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the visitor will not go away empty-handed or consider the trip to have been a failure in terms of his own interests. The Director asked that Agency planning and involvement in the visit of any foreign dignitary be put to this test.

25)

*The Director asked Maury to try to obtain a transcript of Admiral Rickover's remarks yesterday on universities and campus disorders as reported in today's Washington Post.

25)

L. K. White

*Extracted and sent to action officer

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New Peace Corps Chief Had CIA Ties

By Drew Pearson and Jack Anderson

The late President Kennedy's orders to keep the Peace Corps free of any CIA taint have been quietly abandoned. The new Peace Corps head, dynamic, 34-year-old Joe Blatchford, came to the Nixon Administration from Accion, a volunteer organization that has accepted money from at least two CIA fronts.

President Kennedy was so determined to disassociate the Peace Corps from the Central Intelligence Agency that he gave strict instructions to his CIA chief, John McCone, and Peace Corps director, Sargent Shriver, to permit no liaison between the two agencies.

Carrying out these instructions, Shriver issued specific orders in 1962 to all his country directors in Latin America not to associate with anyone from Accion, because it was operating with the guidance of the CIA.

Now Accion's former executive director has been put in charge of the Peace Corps.

Blatchford was recommended by Pepsi Cola president Don Kendall, who is president of Accion. It was largely Kendall who persuaded one of Wall Street's most distinguished law firms in 1963 to accept Richard Nixon as senior partner. Thereafter, Nixon traveled around the world representing Pepsi Cola.

Accion has done some outstanding volunteer work in Venezuela, Brazil and Argentina. However, it has received indirect CIA financing through the Donner Foundation and the Free Labor Committee.

Kendall also got a contribution for Accion from the Nixon law firm and appointed Nixon's law partner, Milton Rose, to Accion's board of directors.

Terry Holcombe, who replaced Blatchford as Accion's executive director, admitted to this column that Accion has received $50,000 from the Donner Foundation.

"We would accept another donation," he added. "No one has said or done anything to convince me that the Donner Foundation did not act with Accion's best interests in mind. I believe the correct theory behind Shriver's orders for Peace Corps volunteers not to meet with members of Accion was to insure that Accion did not become a threat to the Peace Corps. I think Shriver was looking out for his own skin."

The president of the Donner Foundation, incidentally, is Franklin Johnson, a former CIA official.

Note: Despite the CIA taint, Blatchford is highly regarded as an able, aggressive administrator.

Canceled Contract

Less than two weeks after this column exposed irregularities in the Cheyenne helicopter program, the Army canceled its contract with Lockheed for the production of the combat helicopters. Lockheed stands to lose $900 million in production profits.

We reported that Rep. Mendel Rivers, the czar of the House Armed Services Committee, blocked an investigation into the Cheyenne program last year. Earlier, Lockheed had helped erect a monument to Rivers in North Charleston, S.C.

New York's Rep. Otis Pike asked Rivers to investigate the skyrocketing Cheyenne costs a year ago. He cited the fact that an Army document, related to the Cheyenne contract, was signed by former Assistant Army Secretary Willis Hawkins, who came to the Pentagon from Lockheed and later returned to his same desk at Lockheed.

But Rivers, who has favored Lockheed in other backstage negotiations at the Pentagon, refused to listen to Pike.

"I was elected to run this Committee; I will handle it," Rivers snapped. "So I did handle it, and I called in my chief counsel, I called in Mr. Bates (Massachusetts Congressman William Bates, senior Republican on the Committee) . . . We handled it, and there was no investigation."

"Right," said Pike wearily.

"So that is the situation," declared Rivers with finality. "Now, at least we got the Cheyenne."

When Pike raised his objections to the Cheyenne on the House floor, Rivers had Speaker John McCormack step down from the rostrum to settle the matter.

"Where the national interest of our country is concerned," intoned the Speaker, "if I am going to err in judgment, I would rather err on the side of strength . . . I am willing to follow the leadership of the gentleman from South Carolina (Rivers)."

On previous occasions, McCormack has joked that he and Rivers have their own private political party with a membership of two.

It now looks as if Rivers and McCormack were really protecting the interests of Lockheed, not of the country.

Note: The snow-maned Rivers and his chief counsel, Russ Blandford, run the Armed Services Committee in an arbitrary and arrogant manner. They make the multi-billion-dollar weapons decisions after mere token consultation with the membership. At hearings, other members are given only five minutes to question witnesses. Rivers keeps an alarm clock on the rostrum to let him know when the five minutes are up.

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Rickover Warns Universities in Peril

By Peter Milius
Washington Post Staff Writer

Universities "are rightly called the finest creations of Western Man," Vice Admiral Hyman G. Rickover told a House subcommittee yesterday, and "we cannot allow their unique character to be destroyed by the young barbarians."

But he added that Congress should not adopt proposals "that would involve the Federal Government directly with campus law enforcement."

"This should be left to state and local authorities," the admiral said. "Even here we must bear in mind that the law of an eye for an eye will leave everyone blind."

Rickover spoke before Rep. Edith Green's (D-Ore.) Special Subcommittee on Education, which has been holding hearings on a broad assortment of proposals to deal with disorder on the campuses.

He said that proposals "that would utilize the power unquestionably possessed by the Federal Government to attach conditions when handing out subsidies seem to me eminently desirable."

Congress took two steps last year to deny Federal grants and loans to students and others convicted of serious crimes during campus outbreaks, but left it largely up to the universities to enforce these bans.

The House voted Wednesday to deny some funds to universities that don't enforce them.

Some Congressmen want last year's bans broadened. Mrs. Green is considering refining them when her subcommittee reports out a bill. That may be in the next week or two.

Rickover gave student radicals credit for "remarkable insight into the psychology of the academic intellectual."

"His bent," the admiral said of the professor, "is almost instinctively toward protecting his students from the Government."

Rickover was critical of this notion of the university as a legal sanctuary.

"It seems to be supremely important," he said, that "we recognize that what goes euphemistically by the mild term of 'student unrest' is violence of a kind that would nowhere else be tolerated. That they tolerate it makes the college and university authorities accessories to criminal conduct."

He was equally critical of the student radicals' "vision of a society that has nowhere . . . existed. They know so little history and economics that they believe this vision could appear at once if only the present 'rotten' adult world were smashed to bits.

"They act as if they had direct access to revealed truths. Yet they have no practical plan for the utopian society of their dreams—where men will be truly free and equal, and there will be no war, no poverty, no frustration . . . and 'participation' will be universal."

He said the students' ideas about universities "are equally hallucinatory." He mentioned, in particular, demands for indiscriminate admissions and a student voice "in choosing professors and setting the curriculum."

Rickover blamed "two generations of progressive education," long his favorite target, for the present "depreciation of authority based on competence and membership based on special talent."

Both, he said, are "indispensable if higher education is to be more than a stretch-out of common schooling."

General Hints Service Sought Boeing for C-5A

By Bernard D. Nossiter
Washington Post Staff Writer

A high-ranking Air Force officer yesterday hinted that Boeing — not Lockheed — was the service's first choice to build the controversial C-5A cargo plane.

Lt. Gen. Duward Crow, the Air Force Comptroller, said he had "heard rumors" that Boeing had produced the preferred design. But he indicated to questioning Congressmen that he was reluctant to nail the story down.

Knowledgeable sources in the Pentagon and aerospace industry have said that Boeing's plane was the choice of Air Force officers but they were overruled by Secretary Harold Brown.

Among Brown's reasons, it is said, was that Lockheed came up with the lowest bid of $2.985 million for the 120 big planes. The Air Force has testified that it regarded this as unrealistic at the time it was made and by last October was estimating that the package would cost $5.330 million or $2.345 million more.

Substantial unemployment at Lockheed's Marietta, Ga. plant in 1965 is said in the industry to have been a major factor in the company's selection.

Crow's tantalizing hint came before the House Armed Services Committee's public hearing on the costly transport. Asked by Rep. Otis Pike (D-N.Y.) to supply the full story for the record, the big, cigar-chewing general demurred.

The information, he said, is "to some extent privileged. I'll check the ground rules on this."

Confirmation of the story could revive memories of the ill-fated TFX, now called the F-111. There, both the Navy and Air Force wanted Boeing's model but their civilian superiors insisted on General Dynamics.

Crow also defended a recent Air Force decision to reshuffle the Government's costs on the C-5A in what has been described as an effort to hide from Congress the large profits Lockheed will make if the legislators approve a second order of 57 planes.

In a briefing given to the current Secretary, Robert Seamans, on April 2, Air Force officers said they planned to shift $387 million of the Government's outlay from the second batch to the first. Over-all, Lockheed would still lose $285 million, but the gap between the first and second orders would be narrowed.

A chart shown to Seamans said, "This technique is used to avoid the appearance of excess profit for Run B (the second batch) aircraft."

Pike asked if this isn't "really playing Mickey Mouse with the figures?"

Crow replied, "No, Sir," said that the chart language "was probably unfortunate" and argued that the device is simply "an honest attempt to explain how the contract worked."

The hearing also produced these highlights:

- Chairman L. Mendel Rivers (D-S.C.) delivered a soaring paen to the C-5A, calling it "a fantastic aircraft, the largest thing ever conceived by man."
- His Committee Counsel, John Blandford, pounded the table to cut off Pike at one point, an unusual show of strength by a Congressional employe.

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